

CENTRAL INTELLIGENCE AGENCY

REPORT

INFORMATION REPORT

CD NO.

COUNTRY East Germany

DATE DISTR. 20 November 1954

Statistical Analysis

25X1

PLACE
ACQUIRE

NO. OF ENCLS.
LISTED BELOW

DATE OF INFO

SUPPLEMENT TO
REPORT NO. 25X1

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THIS IS UNEVALUATED INFORMATION

The following is a breakdown of the situation concerning East German chemical imports, handled by DIA-Chemie, as of 6 July 1954:

4. Sulphuric acid (Schwefelsäure):

The conclusion of a contract for this product is not necessary, since sulphuric acid is to be contracted for directly with the consignees without DEA-Chemie bringing the requestor into the transaction.

2. Carbonic soda:

The order was received by DIA-Chemic on 19 January 1954. The amount called for in the Plan was 7,000 metric tons, of which 2,850 tons were to come from the USSR and the satellites and 4,150 tons were to come from the other countries. The amounts scheduled to come from the USSR and the satellites were fully covered by contracts as of 6 July 1954. An agreement upon dates and terms of delivery was not possible. DIA attempts to obtain definite monthly delivery dates from the trade organizations of the USSR and the satellites as well as the intervention of the Main Department for Trade Policy of the Ministry for Foreign and Domestic Trade were unsuccessful.

As of 6 July 1954, the

As of 6 July 1954, the USSR was 365 metric tons behind in its deliveries. These arrears have to be made up in the third and fourth quarters of 1954. The delivery allotment for the caustic soda to be bought by the West was completely insufficient and irregular; for example,

ually obligated; however, as of 6 July 1954, no foreign currency allotment had been made.

[redacted] which had been concluded at the Leipzig Fair in 1953 with a delivery deadline of January 1954.

Under these circumstances, definite delivery dates and terms could not be accepted by DIA-Chemie.

3. Nickel sulphate:

Nickel sulphate:
The order was received by DIA-Chemie on 19 January 1954. The total amount was 147 metric tons, 75 tons to come from the USSR and 72 tons from western countries. The 75 tons were contracted for with

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the USSR with delivery dates and terms of 25 tons in each of the second, third, and fourth quarters of 1954. An agreement on monthly delivery dates was not possible. The situation here was the same as that concerning caustic soda. The 72 tons from the West were delivered.

4. Red lead oxide (Bleimennige):

The order was received by DIA-Chemie on 19 January 1954. The total amount was 1,080 metric tons, 300 tons from the USSR and 780 tons from western countries. The 300 tons from the USSR were contracted for on a quarterly basis; an agreement on monthly delivery dates was not possible.

For example, in

March 142 tons were delivered and in May 82 tons. The remainder was allegedly to be delivered in August. Most of the amount to be imported from the West was also contracted for. Here also agreement on monthly deliveries was impossible because of the irregular foreign currency allotments.

5. Litharge - lead monoxide (Bleiglaette):

The order was received by DIA-Chemie on 19 January 1954. The total amount was 200 metric tons, all of which was to be imported from western countries. In this case the customer wanted a specific quality which is produced almost exclusively [redacted] and had to be imported from there. For this transaction, sales units (Verkaufseinheiten -VE) were not obtainable. In the first quarter of 1954, 50 tons were imported; an attempt was to be made to import a similar amount in the third quarter. However, the sales units would not be placed at the disposal of DIA-Chemie for payment until December 1954. The financing of the remaining 100 tons remained totally unclarified. The possibility of obtaining the second 50-ton shipment depended on the approval of the [redacted] authorities, who only approve transactions with 90-day delivery dates.

6. Inert gases (Edelgase):

The order was received by DIA-Chemie on 11 January 1954. The total amount was in the value of 270,000 rubles, 30,000 rubles worth to come from the satellites and the rest from [redacted] countries. The 30,000 rubles' worth was contracted for with Hungary on a quarterly basis; more rapid delivery was not obtainable. The 200,000-ruble amount consists of various inert gases and mixtures, the delivery of which could not possibly be assigned to particular months. Rather, they had to be purchased in specific lots and because of the irregular foreign currency allotments the time of delivery was problematical.

7. Metallic oxides:

This item was not handled, since the customer, in the final specification of 1 April 1954, demanded quarterly terms and dates or nothing.

8. Rutile - natural titanium dioxide (Rutil)

The order for 1,500 metric tons from the West was received by DIA-Chemie on 8 January 1954. This material must be purchased exclusively [redacted] provisional agreement was concluded at the 1953 Leipzig Fair. Monthly delivery amounts could not be arranged for the following reasons:

a. It would be impossible to ship the material by water from

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[] if it were divided into equal and separate monthly 25X1 amounts, since the additional freight costs resulting therefrom would materially influence the price; such an expenditure of foreign currency could not be justified.

- b. There was no possibility of monthly shipments, since the ships' trips to Hamburg were made at greater intervals.

Added to this is the fact that difficulties [] river-shipping traffic arise every spring 25X1 because of the drought. This causes a delay of weeks in the departure of ships.

- c. The foreign currency question was still unclarified as of 6 July 1954; about 250 tons were to arrive [] between the mid 25X1 and end of September. As of 6 July 1954, however, there were still 1,900 pounds sterling lacking for the payment of this shipment. About 250 tons were to be ordered in November; that meant that the goods would not arrive until the first of 1955, since the consignor would ship only after the opening of a letter of credit. For a large part of the required amount, there was no foreign in perspective whatsoever.

9. Zinc powder (Zinkstaub):

The order for 600 metric tons, to be delivered by Poland, was received by DIA-Chemie on 17 November 1953. The 600 tons were contracted for on a quarterly basis, 150 tons per quarter. The difficulties in obtaining monthly delivery terms and dates described above applied here also.

10. Glycerin:

The total amount of 350 metric tons was to be procured as follows: 200 tons from the USSR, 50 tons from Bulgaria, and 100 tons from Western countries. The first 250 tons were contracted for. Monthly contracts for the 100 tons from the West were impossible, since the foreign currency allotments were insufficient.

On 20 April, the currency for 40 tons was received; at the end of March a notice was received that foreign currency would be available to DIA-Chemie in August for 20 tons.

The remaining 40 tons had already been delivered in a compensation transaction.

11. Rosin (Kolophonium):

The total amount of 1,200 metric tons was to be procured as follows: 850 tons from the USSR, 100 tons from Poland, 100 tons from Bulgaria, 100 tons from China, and 50 tons from Western countries. The deliveries from the USSR, Poland, and Bulgaria were contracted for. The 100 tons to be procured from China were included in the Plan as a supplementary item. A contract was not concluded in this case, since the quality of the material still had to be tested. The 50 tons to be procured from the West were, according to the Plan, to come from the U.S. However, as of 6 July 1954, it was impossible to obtain either currency or compensation goods for this transaction.

12. Castor oil (Rizinusol):

The total amount of 1,585 metric tons was to be procured as follows: 1,500 tons from the USSR, 35 tons from Bulgaria, and 50 tons from the West. The amounts from the USSR and Bulgaria were contracted for. However, definite delivery dates were not obtainable; Bulgaria promised delivery only in the fourth quarter of 1954.

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13. Aniline oil:
The total amount of 1,800 metric tons was to be procured as follows: 1000 tons from the USSR, 300 tons from Czechoslovakia, and 500 tons from Poland.
14. Citric acid:
The total amount of 150 metric tons was to be procured as follows: 100 tons from Czechoslovakia, and 50 tons from the West. The 50 tons had already been delivered by [] firm on the basis 25X1 of a compensation contract.
15. Tanning agents (Gerbstoffe):
The total amount of 5,200 metric tons was to be procured as follows: 900 tons from Bulgaria, 100 tons from China, and 4,300 tons from the West. The amounts from Bulgaria and China were contracted for. The division of the 4,300 tons from the West into monthly deliveries was accepted by DIA-Chemie. This was possible because the original Plan was decreased from 7,500 tons to 5,200 tons. 25X1
16. Carbon black (Flammruss):
Half of the planned amount was contracted for with the USSR and the other half was to be purchased [] Monthly delivery dates were not obtainable from the USSR. [] 25X1 carbon black is on the Embargo List; difficulties arising therefrom made it impossible to obtain any sort of contractual agreement with monthly delivery dates.
17. Zinc oxide (Zinkweiss):
The total amount was 800 metric tons, 700 tons of which had been contracted for with Poland, on the following basis: 250 tons in the first quarter, and 150 tons in each of the remaining quarters of 1954. For the remaining 100 tons, DIA-Chemie was maintaining contact with Poland but, as of 6 July 1954, a promise of delivery was still lacking.
18. Titanium dioxide:
The total amount was 595 metric tons, 350 tons of which were contracted for with Czechoslovakia on the following basis: 1st quarter, 75 tons; 2nd quarter, 60 tons; 3rd quarter, 105 tons; and 4th quarter, 110 tons. With a delivery of 25 tons in the first quarter of 1954 carried over from 1953, there remained 220 tons to be procured. Of this amount, 200 tons was to come from the USSR; however, the quality was not up to par. Therefore, the 220 tons were to be procured from the West, specifically [] However, as of 6 July 1954, 25X1 neither a currency allotment nor a currency disposition had been provided; therefore, no monthly delivery terms or dates could be accepted by DIA-Chemie.
19. Casein:
The total amount was 50 tons. Casein was originally lumped Position "Diverse Chemikalien"; just recently it became a separate Position. The total amount was contracted for: 36 tons had already been delivered, and the remaining 14 tons were expected shortly.
1. Source Comment: A letter of 13 February 1954 from the Bulgarian trade agency concerned acknowledged receipt of the order, but stated that the desired amount of castor oil was not on hand or available. The Bulgarian agency, however undertook to notify DIA-Chemie by telegram when the castor oil was ready for shipment.

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sulphuric acid (Schwefelsäure).
 The conclusion of a contract for this product is ~~not necessary~~ since
 sulphuric acid is to be contracted for directly with the consignees
 without DIA-Chemie bringing the requestor into the transaction.

The order was received by DIA-Chemie on 19 January 1954. The amount called for in the Plan was 7,000 metric tons, of which 2,850 tons were to come from the USSR and the satellites and 4,150 tons were to come from western countries. The amounts scheduled to come from the USSR and the satellites were fully covered by contracts as of 6 July 1954. An agreement upon dates and terms of delivery was not possible. [redacted] to obtain definite monthly delivery dates from the [redacted] organizations of the USSR and the satellites as well as the intervention of the Main Department for Trade Policy of the Ministry for Foreign and Domestic Trade were unsuccessful. If [redacted] of 6 July 1954, the USSR was 565 metric tons behind in its deliveries. [redacted] in the third and fourth quarters of 1954. The currency allotment for the caustic soda to be bought in the "east was [redacted] insufficient and irregular; for example,

usually obligated; however, as of 6 July 1954, [redacted] also lacking for a contract [redacted] which had been completed at the Leipzig [redacted] every deadline of January 1954. If it is [redacted] circumstances, definite delivery dates and terms could not be ascertained by DIA-Chemie.

~~The order was received by DIA-Chemie on 19 January 1954. The total~~

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the USSR with delivery dates and terms of 25 tons in each of the second, third, and fourth quarters of 1954. An agreement on monthly delivery dates was not possible. The situation here [redacted] The 72 tons from the [redacted]

4. Red lead oxide (Bismutnig):
The order was received by DIA-Chemie on 19 January 1954. The total [redacted] metric tons, 300 tons from the USSR and 700 tons [redacted] ries.

be imported from the West was also contracted for. Here also agree-
ment on monthly delivery [redacted] of the irregular

5. Lithium - (Lithiumacetate):
The order [redacted] by DIA-Chemie on 19 January 1954. The total [redacted] tons, all of which was to [redacted] of

[redacted] quality which [redacted] and had to be [redacted] sales units (Verkaufseinheiten - VE) were not obtainable. In the 25X1 first quarter of 1954, 50 tons were imported; an attempt was to be made to import a similar amount in the third quarter. However, the sales units would not be placed at the disposal of DIA-Chemie for [redacted] 100 the [redacted] authorities, was only approve transactions with 90-day 25X1 delivery dates.

6. Ine [redacted]
The [redacted] was [redacted] was in the value of 230,000 rubles, 30,000 rubles worth to come [redacted]

which could not possible.
Rather, they had to [redacted] the irregular [redacted] problematic [redacted]

7. Metallic [redacted]
This item [redacted] tion of [redacted]
8. Rutile - natural titanium dioxide (Rutil)
The order for 1,500 metric tons from the West was received by DIA-Chemie on 8 January 1954. [redacted] material must be purchased exclusively [redacted] provisional agreement was 25X1 concluded at the 1955 [redacted] delivery amounts could not be arranged for the following reasons:

- a. It would be impossible to ship the material by water from

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[redacted] if it were divided into equal and separate monthly amounts, since the additional freight costs resulting therefrom [redacted] 25X1

[redacted] long traffic arise every spring because of the drought. This causes a delay of weeks in the departure of ships.

[redacted] ber. As of 6 July 1954, however, there were still 1.9 [redacted]

9. Zinc powder (Zinkstaub): *Currency was expected to be available*
The order for 600 metric tons, to be delivered by Poland, was received by DIA-Chemie on 17 November 1953. The 600 tons were [redacted]

10. Glycerin:
The total amount of 350 metric tons was to be procured as follows: 200 tons from the USSR, 50 tons from Bulgaria, and 100 tons from Western countries. The first 250 tons [redacted] 20 tons

11. Rosin (Kolophonium):
The total amount of 1,200 metric tons was to be procured as follows: 850 tons from the USSR, 100 tons from Poland, 100 tons from Bulgaria, 100 tons from China, and 50 tons from Western countries. The deliveries from the USSR, Poland, and Bulgaria [redacted]

from the U.S. However, as of 6 July 1954, it was impossible to obtain either currency or compensation goods for this transaction.

12. Castor oil (Rizinusol):
The total amount of 1,585 metric tons was to be procured as follows: 1,500 tons from the USSR, 35 tons from Bulgaria, and 50 tons from the West. The amounts from the USSR and Bulgaria were contracted for. However, definite delivery dates were not obtainable; Bulgaria promised delivery only in the fourth quarter of 1954¹.

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15. [REDACTED] was to be procured as follows:
800 tons from Bulgaria, 100 tons from China, and 4,300 tons from
the West. The amounts from Bulgaria and China were contracted for.
The division of the 4,300 tons from the West into monthly deliveries
was accepted by DIA/Chemie. This was possible because the original

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17. Zinc oxide (Zinkweiss):
The total amount was 800 metric tons, 700 tons of which had been contracted for with Poland, on the following basis:
the first [redacted] 120 tons in each of the [redacted]
of 19[redacted] m.
containing [redacted]
was still lacking.

18. Titanium dioxide:-
The total amount was 595 metric tons, 350 tons of which were contracted for with Czechoslovakia on the following basis: 1st quarter, 75 tons; 2nd [REDACTED] 105 tons; and 4th quarter, 110 [REDACTED] of 25 tons. In the first quarter of [REDACTED] there remained 220 tons to be procured. Of this amount, 200 tons was to come from the USSR; however, the quality was not up to par. Therefore, the 220 tons were to be procured from the West, specifically [REDACTED] However, as of 6 July 1954, 25X1 neither a currency allotment nor a currency disposition had been provided; therefore, no monthly delivery terms or date [REDACTED] be accepted by DIA-Chemie.

19. Casein: The total amount was 50 tons. [REDACTED] in with P
Position "Diverse Chemikali [REDACTED]
Position. The total amount was contracted for: 36 tons had already
been delivered, and the remaining 14 tons were expected shortly.

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